

Banking (Amendment No. 2) Regulations 2010

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No. S 370

BANKING ACT (CHAPTER 19)

BANKING (AMENDMENT NO. 2) REGULATIONS 2010

In exercise of the powers conferred by sections 30(1)(*d*), 31(3)(*a*), 32(5), 33(3) and 78(1) of the Banking Act, the Monetary Authority of Singapore hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Banking (Amendment No. 2) Regulations 2010 and shall come into operation on 5th July 2010.

Amendment of regulation 7

2. Regulation 7 of the Banking Regulations (Rg 5) is amended by deleting paragraph (1) and substituting the following paragraph:

“(1) The Authority hereby excludes, from the operation of section 32 of the Act —

- (a) any company which carries on a business prescribed in regulation 23F(1) (whether as its principal business or otherwise); or
- (b) any other company whose principal business is that of investing in any company referred to in sub-paragraph (a).”.

New regulation 23F

3. The Banking Regulations are amended by inserting, immediately after regulation 23E, the following regulation:

“Prescribed private equity or venture capital business

23F.—(1) For the purposes of section 30(1)(d) of the Act and subject to paragraphs (3) and (4), a business (not being a business referred to in section 30(1)(a), (b) or (c) of the Act) which —

- (a) is carried on by a company or the trustee of a trust; and
- (b) satisfies the requirement in paragraph (2),

is prescribed as a business that any bank in Singapore may carry on, or with whom a bank in Singapore may enter into any partnership, joint venture or any other arrangement to carry on, whether in Singapore or elsewhere.

(2) The business referred to in paragraph (1) is one which the bank in Singapore has determined to have potential for high growth or value creation.

(3) The reference to a company or trustee of a trust in paragraph (1) excludes a company or trustee which —

- (a) is not carrying on any substantial business or not in operation;
- (b) is carrying on the business of engaging in property-related activities;
or
- (c) is carrying on the business of factoring, leasing equipment or otherwise purchasing debt obligations from others.

(4) Subject to paragraph (5), the bank in Singapore shall, when carrying on a business prescribed in paragraph (1), limit its total net book value of all such businesses —

- (a) where the bank is incorporated in Singapore, to —
 - (i) 10% of its capital funds or such other percentage as the Authority may approve in any particular case; and